

# ANALYSIS OF ORIGINAL BILL

## Franchise Tax Board

Author: Simitian Analyst: Deborah Barrett Bill Number: SB 682  
Related Bills: See Legislative History Telephone: 845-4301 Introduced Date: 02-22-05  
Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Identity Information Protection Act of 2005/Prohibit Public Entities From Using Contactless Integrated Circuits In Identity Documents Created, Mandated, Or Issued By The Public Entity

### SUMMARY

This bill would prohibit state entities from using identity cards containing a device that would enable personal information embedded in the card to be accessed remotely.

### PURPOSE OF THE BILL

According to the author's office, the purpose of this bill is to protect sensitive personal information from potential identity theft.

### EFFECTIVE/OPERATIVE DATE

This bill would be effective on January 1, 2006, and would be operative as of that date.

### POSITION

Pending.

### ANALYSIS

#### FEDERAL/STATE LAW

Current state law allows state agencies to collect personal information on individuals only to the extent it is relevant and necessary to accomplish a purpose of the agency that is authorized by statute or federally mandated. Personal information is to be collected directly from the individual to the extent possible and made available to the individual upon request for inspection for accuracy. Current law provides avenues for taxpayers to correct inaccurate information collected by the state agency.

Current state law prohibits state agencies from disclosing personal information maintained in their records except for specific exceptions. The exceptions include disclosing the information to the taxpayer, the taxpayer's authorized representative, other state agencies for the purpose of fulfilling their constitutional duties, investigation purposes, or for purposes of qualifying for state sponsored assistance. The exceptions to disclosing personal information are specific and limited.

Current federal law contains similar provisions for the protection of an individual's personal information maintained within a federal agency's system of records. These provisions identify exceptions that permit disclosure of personal information as well as procedures to obtain a copy of personal information, address errors, and accounting for disclosures made by the agency.

#### Board Position:

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Department Director

Date

Gerald Goldberg

3/30/2005

## THIS BILL

This bill would establish the Identity Information Protection Act of 2005. This bill would prohibit state, county, or municipal governments, or agencies thereof, from creating or issuing identity documents that contain a contactless integrated circuit or other device that can broadcast personal information or enable personal information to be scanned remotely.

This bill defines “identity document” to mean any document that an individual uses to establish his or her identity that contains one or more items of personal information to include, but not limited to the following:

- Drivers licenses or identification cards,
- Identification cards for employees or contractors,
- Identification cards issued by educational institutions,
- Health insurance or benefit card,
- Benefit cards issued in conjunction with any government supported aid program,
- Licenses, certificates, registration, or other means to engage in a business or profession regulated by the California Business and Professions Code, and
- Library cards issued by a public library.

“Personal information” as defined in this bill includes an individual’s name, address, telephone number, date of birth, race, religion, ethnicity, nationality, photograph, fingerprint, or other biometric image of the individual, social security number, or any other unique identifier.

This bill would create a new crime for the intentional disclosure of personal information in a manner prohibited by this bill if the disclosure results in an economic loss or personal injury to the individual to whom the information pertains.

## IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not significantly impact the department’s programs and operations.

### **Program Background**

FTB currently uses a badge system to secure FTB facilities. Each employee is required to wear a badge that contains an electronic device that will identify and record the location and time each individual in the department enters the facility. The badges do not carry personal information but are embedded with a number that when activated will provide a picture ID and name associated with the card number from a secure database controlled by security staff. Since personal information is not embedded on the badges, this bill would not affect the security practices in place at FTB facilities.

### **FISCAL IMPACT**

This bill would not significantly impact the department’s costs.

### **ECONOMIC IMPACT**

This bill would not impact the state’s income tax revenue.

### **LEGISLATIVE STAFF CONTACT**

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